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20 August 1973

Chinese Affairs

This publication was prepared by the China branches of the East Asia - Pacific Division of the Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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New Doubts About New Delhi

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China's attitude toward India appears to have hardened in recent months. Articles that cast Indian domestic affairs in a negative light have appeared in the Chinese press this summer; such treatment has been rare. Articles critical of New Delhi's ties with Moscow and Indian policy on Pakistan and Bangladesh are standard for the course, but lately they have become more frequent and sharper in tone. China is also not encouraging New Delhi in its desire to exchange ambassadors.

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This coolness toward India almost certainly stems from China's assessment of power relationships in the western Indian Ocean basin. Peking apparently sees the politics of that region in terms of the competition for controlling influence in the Persian Gulf by two broad and amorphous power groupings: USSR, India, Iraq and Afghanistan on one side; China, the US, Iran, Pakistan and many of the conservative oil-producing states of the Gulf on the other.

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It is ironic that Peking should have soured somewhat toward New Delhi at a time when India, Pakistan, and Bangladesh are edging closer to a resolution of some of their problems. Normal relations with India have been a Chinese foreign policy objective for some time, but they have been hinged on a political settlement on the subcontinent. This probably is still China's objective despite the stiffer attitude. Chinese spokesmen continue to indicate that Peking is fully prepared to move toward rapprochement with New Delhi when conditions permit. One senior Chinese

Foreign Ministry official said last week that the parties need only reach an agreement in principle and that Dacca rule out war crimes trials. He said that Peking would drop its objections to UN membership for Bangladesh and reportedly hinted that normal Chinese relations with India would quickly follow.

China's strategic perceptions in the Middle East strongly suggest that Peking could lose interest in rapprochement with New Delhi if there is no settlement on the subcontinent. Even if rapprochement materializes, Peking almost certainly would find the imperatives of power politics more compelling than detente with New Delhi, particularly if the Chinese see the opposing alignments in the Persian Gulf coalescing.

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The China Market Attracts Ford

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In early July, representatives of the Ford Motor Company met with officers of the US Consulate in Hong Kong to discuss prospects for Ford in the China trade. Ford representatives had previously met with China Resources Company officials to inquire about possible interest in a variety of Ford plants, products, and technology. The Chinese were non-committal, but encouraged Ford to write directly to Peking and to make their proposals as comprehensive as possible. The officials said that China's interests in order of priority were 1) direct imports of 8- to 10-ton trucks, 2) turn-key vehicle plants, and 3) technology. Ford has apparently done a market research study on China's motor vehicle industry.

As far as is known, Ford is the first US motor vehicle producer to show an active interest in selling to China. China imported over 4,000 trucks from non-Communist countries during 1972, about half of which came from Japan. So far this year, Japanese firms have signed contracts to deliver over 4,300 motor vehicles worth at least \$2 million.

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Political Heat Wave

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The political climate is hotter than usual in Peking this month as China's leaders have finally begun to thrash out their differences prior to the party congress. Although the session must deal with major questions such as the make-up of the Politburo, some leaders have apparently seized on peripheral issues as a way to show their political power.

In mid-July, Liaoning provincial radio voiced its opposition to the college entrance examination system. The broadcasts undoubtedly had the approval of the Liaoning party boss, Chen Hsi-lien, a Politburo member and the commander of the Shenyang Military Region. The birth control program is apparently another focus of controversy. *People's Daily* on 30 July carried two articles that seemed to criticize the more stringent control measures introduced earlier this year. The articles attacked the use of "hard and fast regulations," arguing instead for persuasion. A directive distributed last February reportedly called for such harsh measures as the denial of ration cards to a third baby and unrelenting pressure to terminate a third pregnancy by abortion. Both of the *People's Daily* articles originated in Kiangsu Province, the operating base of Politburo member and East China military chief Hsu Shih-yu.

Both Chen Hsi-lien and Hsu Shih-yu probably have good reason to promote policy debates. As the only members of the Politburo who are regional military commanders, both are probably unhappy about Peking's determination to reduce the role of military men in party affairs. The coming party congress is bringing the issue to a head. There is reportedly bitter wrangling over how many military men should be on the Central Committee they made up 40 percent of the Central Committee elected in 1969--and the number of military men chosen as delegates to the party congress. By raising divisive policy issues, Chen and Hsu may be flexing political muscle to head off anticipated pressures on them to relinquish either their political or military responsibilities.

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Wooing the Taiwanese

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Peking has begun to take a more conciliatory tack toward supporters of Taiwan independence. The shift reflects the more sophisticated view China has developed toward political dynamics on the island, particularly with respect to differences between Taiwanese and mainlanders.

Before the Shanghai and Chou-Tanaka communiqus of 1972, Peking vigorously denounced advocates of Taiwanese independence as traitors. This year, Peking spokesmen have expressed understanding of Taiwanese sentiment for independence. Instead of branding it treason, they now describe such sentiment as simply misguided, and Peking has shown considerable interest in learning about leaders of the movement in Japan and the US.

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China clearly sees Taiwanese residents in Japan and the US as potential channels for influencing opinion on Taiwan. Chou, for example, has offered to subsidize the travel expenses of Taiwanese students in the US who wish to visit China. During his visit to Japan in April, Liao Cheng-chih paid special attention to the Overseas Chinese, many of whom are Taiwanese. A "Taiwan" provincial team from Japan is in Peking to participate in the Afro - Asian - Latin American ping pong tournament.

Peking probably entertains no great hopes of winning over the Taiwanese independence movement, which is badly splintered and has little influence on the island. Indeed, faced with the decline in Taiwan's international status and its uncertain future, Taiwanese and mainlanders on the island appear to have drawn closer together in defense of their mutual economic and political interests. As a result, an attempt to play on mainlander-Taiwanese animosities probably is more difficult now than at any time in the past.

The Chinese probably hope in part to dampen any lingering enthusiasm among the Taiwanese for independence and to discourage any thoughts by independence movement leaders of turning to the USSR for support. The more immediate significance of Peking's new approach is that it seeks to condition the Taiwanese to accept the inevitability of reunification and to diminish objections to the initiation of contacts between Peking and Taipei directed toward that goal.

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Mass Revival

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The New Year's Day editorial this year made the reconstruction of China's mass organizations a major goal. The rebuilding of trade unions, the youth league, and women's associations is nearly complete; now, a broadcast from Shantung Province says that the preparatory meeting for a Peasants' Association Congress has been held, indicating that the drive to revive the last of the four mass organizations has begun. Similar announcements from other provinces can be expected in the near future.

The mass organizations, which serve as a channel of communications for China's leaders, elect a significant percentage of the delegates to a National People's Congress, China's rubber-stamp legislative body. The fourth such congress is expected to convene late this year or early in 1974 to ratify the decisions that will come out of the Tenth Party Congress. The reconstruction of peasants' groups along with the unions, youth and women's associations is not essential before the National People's Congress meets.

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A Fair Deal for Youth

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Last spring Mao broke a long silence on domestic policy to order that young people sent to the countryside be given better treatment. The instructions, disseminated in a central committee directive, have been widely studied throughout China since June. Mao's instructions—the clearest he has given on a domestic matter in almost two years—are beginning to achieve results.

The Chairman's interest was reportedly aroused by a letter from a teacher in Fukien Province. The teacher complained that he was forced to subsidize his son, a rusticated youth whose meager earnings kept him in constant financial straits. Mao instructed Chou En-lai to circulate the letter and to make sure that youth in the countryside are self-supporting. In one account, Mao even sent some of his own money to the young man.

Since then, propaganda media have urged rural officials to take better care of their young charges. A *People's Daily* editorial of 7 August, for example, said that young people and local peasants must be given equal pay for equal work. The editorial argued that those who "persecute" rusticated youth should be "dealt heavy blows" and "punished according to law." Some urban youths are reportedly being assigned to state farms where they receive better remuneration than on rural communes.

In the past, many local officials have viewed the down-to-the-countryside program as a kind of reform school for young delinquents. They were harsh in their treatment of young people, discriminating against them in housing, food rations, and wages. Attempts were made last year to change such practices, but the orders apparently were not rigidly enforced. This year the expanded rustication program has been linked to agricultural needs, and Peking has emphasized that young people are being sent to the rural areas for economic reasons, not punishment.

Mao's personal involvement in the issue should give impetus to the efforts to ease life for rusticated youth. It stands in sharp contrast to his silence on other controversial issues, such as the criteria for college entrance, where a clear endorsement from Mao would probably muffle the current debate.

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Detente Diplomacy

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Peking for some time has been indicating a strong interest in friendly and mutually beneficial relationships with neighboring states along China's southern flanks. Once stridently hostile propaganda directed against nearby Southeast Asian governments has been either eliminated or toned down; in the case of Burma and Malaysia, it occasionally has been replaced by favorable comment.

An even clearer indication of China's attitude has been the recent sharp cutback of press coverage of Maoist insurgencies, once the cutting edge of Chinese policy in the region.

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It has sharply reduced the amount of rebel-originated material carried in its own press and has watered down harsh insurgent descriptions of government policies and leaders. NCNA last mentioned the Philippine Communist Party in late 1972, and last carried pronouncements by the Burmese and Indonesian parties in early 1973. More important, the Chinese press has of late ignored significant anniversaries that were given heavy play by rebel radios—the anniversaries of the Burmese Communist Party and of the Thai and Malaysian armed insurgencies.

Peking's new propaganda look almost certainly is a response to hints and demands by Southeast Asian governments that China curb its harsh press treatment as a sign of good will and, in some cases, as a condition for diplomatic recognition. NCNA's silence on the recent Thai and Malay insurgent anniversaries, for example, is no coincidence.

Two Thai Foreign Ministry officials, currently touring China with a sports delegation, are almost certainly reiterating Bangkok's demands that China end its involvement in Thailand's Communist insurgency. China has also been discreetly silent on the early August anti-Chinese violence in Bandung, Indonesia. This show of disinterest in Overseas Chinese communities not only helps defuse Jakarta's concerns but may also indirectly strengthen Peking's hand in negotiating Malaysia's demand that China accept responsibility for the disposition of some 200,000 stateless Overseas Chinese as a condition for recognition.

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Provincial Notes

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Heilungkiang

On 27 July Liu Kuang-tao, the number two man in Heilungkiang and a career military officer, made his first appearance since it was announced in May that he was "out of town." Liu's boss, Wang Chia-tao, another military officer, returned in June after an absence that dated from the Lin Piao affair of September 1971. Both Liu and Wang may have been in Peking answering questions about their possible involvement in the Lin affair. Their return to Heilungkiang with their old titles gives them a new lease on authority in the province, but the unprecedented addition of eight new secretaries to the Heilungkiang party committee may be an attempt to dilute their influence.

* * *

Hunan

The leadership turnout at the Hunan Provincial Trade Union Congress on 12 August revealed major changes on the provincial party committee. Chang Ping-hua, the province's former party boss who fell out of favor during the Cultural Revolution, was given the second secretary title to go with the authority he has been exercising since April as de facto number two man. Chang's promotion probably means that Hua Kuo-feng, the present head of the province, will retain his first secretary position, even though he is more of a national political figure now and seldom leaves Peking. Chang's promotion also indicates official approval for his performance in this key agricultural province. Six new secretaries were unveiled at the same turnout, and their backgrounds indicate an attempt to maintain some sort of balance. Of the new secretaries, two were experienced party civilians, two were newcomers, and two were military officers. Of the two promotions, Chang is a veteran party cadre, and the other is a senior military officer.

* * *

Chengtu Military Region

Chin Chi-wei, purged as commander of the Yunnan Military Region during the Cultural Revolution, has been tentatively identified as commander of the Chengtu Military Region. Chin would be the first publicly identified commander of this perennially troubled military region since the purge of Liang Hsing-chu after the Lin Piao affair two years ago. Like Liang and many other local leaders in the area, Chin is an outsider who has been assigned to Chengtu in an apparent attempt to establish closer control from Peking.

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Foochow Military Region

Late last month two other senior military men, whose associations with "rightist" elements during the Cultural Revolution led to their removal, appeared with specific titles for the first time since their rehabilitation. Chen Tsai-tao, who was commander of the Wuhan Military Region when he defied Peking radicals by arresting their envoys in July 1967, was identified at a provincial women's congress as deputy commander of the Foochow Military Region. Li Chih-min, a national military figure prior to his purge during an anti-rightist campaign in 1968, was identified at a provincial trade union congress as political commissar of the Foochow Military Region. Neither has been identified in a party post. [redacted]

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Chronology

25X1 31 July North Vietnamese Vice Foreign Trade Minister Chanh arrives in Peking; greeted by economic, trade and military officials. [redacted]

4 August PRC Vice Minister of Agriculture and Forestry Hao Chung-shih visits Zaire. [redacted] 25X1

25X1 7 August Trade delegation headed by Pai Hsiang-kao returns to Peking after two-week swing through Australia and New Zealand. [redacted]

25X1 7-11 August Senegalese Minister of Rural Development Adrien Senghor visits Peking. [redacted]

8 August First Spanish ambassador to PRC presents credentials. [redacted] 25X1

25X1 11 August Mao's car seen arriving at Great Hall of the People, where late-night meetings had been taking place during the previous week [redacted] [redacted] 25X1

11 August Visiting Chinese-American professor deported from China for "illegal activities." [redacted] 25X1

25X1 13 August Visiting Thai sports delegation, including two foreign ministry officials, meets with Teng Hsiao-ping and Han Nien-lung. [redacted]

25X1 15 August NCNA reports end of US bombing in Cambodia without comment. [redacted]

15-17 August North Vietnamese delegation led by Premier Pham Van Dong stops in Peking en route from the USSR and Eastern Europe to Hanoi; sees Sihanouk and Chou En-lai. [redacted] 25X1

25X1 17 August Negotiations on Sino-Japanese trade agreement open in Tokyo. [redacted]

25X1 17-19 August Thousands of people attend mass meetings at the Great Hall of the People. [redacted]

18 August

People's Daily ran three articles to commemorate the anniversary of the formation of the Red Guards in 1966. Although Shanghai has consistently marked the event, Peking media had not acknowledged the anniversary since 1968.

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